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MEMORANDUM OF MEETING AT THE WHITE HOUSE

BETWEEN PRESIDENT TRUMAN AND GENERAL EISENHOWER

CABINET ROOM, 2:00 P.M.

1st 4 pages published.

Present: President Truman, accompanied by Secretary Acheson, Secretary Lovett, Secretary Snyder, Mr. Harriman, Director of Mutual Security Agency.

General Eisenhower, accompanied by Senator Cabot Lodge, Mr. Joseph M. Dodge.

The President opened the meeting with the following statement:

"1. I have invited you gentlemen to meet with me here to establish the framework for full understanding of our problems and our purposes in the interim until January 20th.

"2. So far as our relations with other countries are concerned, I think it is important during this period to avoid needless differences between this Administration and its successor for several reasons.

"a) It will show the world national unity in foreign policy as far as politically possible.

"b) It will help to maintain respect abroad for the power and influence of the United States, and to sustain the confidence of our allies and friends in our foreign policy.

"c) It will help to check the Kremlin's efforts to divide the United States from its allies and friends, and it may help to keep the Kremlin from creating a crisis in the mistaken notion that we are divided or wavering in our purpose to preserve the unity of the free world.

"3. It is also my purpose to do what can be done by this Administration to facilitate the orderly transfer of our duties to our successors. I think that is in the best interest of the country.

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"4) I want to make available to General Eisenhower and his associates the information that will be helpful to them in taking over the operation of the Government.

"5) It is not my purpose to try to shift responsibility for actions taken by the Government between now and January twentieth. I am going to follow the policies I believe to be right up until that time and I will take full responsibility for them.

"6) There are certain questions on which it might be very important to our foreign policy for General Eisenhower to express his views. But it is up to him to decide whether or not he will do so.

"Liaison Arrangements

"1. I welcome General Eisenhower's selection of Senator Lodge and Mr. Dodge to establish liaison with this Administration. We will give them our full cooperation.

"2. If General Eisenhower wishes to designate additional representatives from time to time, we will be glad to work with them also.

"3. We want to do all we can to help the incoming Administration by filling in the background on current problems and by making available in advance information concerning the problems you will have to deal with.

"4. It is not our purpose or intention to attempt to commit or bind the incoming Administration.

"5. All we are doing is trying to make a common-sense approach to the situation.

The President also stated that he and General Eisenhower had had a private conversation before coming into the Cabinet Room.

General Eisenhower asked whether the President would give him memoranda of these conversations. The President replied that he would.

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He also handed to General Eisenhower the attached memorandum from the Secretary of the Treasury to the President.

The President said that there were some pressing matters which he thought it was important for General Eisenhower to be informed about, and which he asked Secretary Acheson to take up.

Mr. Acheson said he would speak about a number of pressing matters where action was called for each day which would have important effects in the weeks and months following January 20, 1953. He would not speak about all such matters, but pick out the most important, in part for the information which the statement would contain, and also as illustrations of the necessity for expanding the liaison between the Administrations already provided. He hoped that his remarks would underline the importance of having an increasing number of officers who would exercise responsibility after January 20 attached by the new Administration to the various Departments, so that they might be familiar with the developing situations for which they would have responsibility very soon. He said that, as the President had pointed out, this did not involve the assumption of responsibility, since these officers might or might not express any views on current matters. However, they would be informed about them and would have the opportunity to express any views which the new Administration wished to express.

1. Korea. A most serious situation was developing in New York. The debate with Vishinsky had ended in a very general acceptance of the idea that force should not be used to make prisoners return. Even Vishinsky was not willing to espouse the opposite principle. The course taken by the neutralist nations — India and Indonesia, etc. — was to circumvent this principle. In this they were strongly supported by the Canadians and British, and now had the support of the French and some others. The method of circumvention was very simple. The prisoners were to be turned over to a Commission. The Commission was not to use force on the prisoners, but the Commission was to repatriate the prisoners, and these men were to remain prisoners until repatriated. If the prisoners were not repatriated in three months they were to be turned over to a Political Conference which would undoubtedly continue the same process. The attempt here was to accept the words of the principle and still keep the result desired by the Communists - that is, the repatriation of the prisoners. The prisoners had no exit from captivity under the Commission except to be repatriated.

Certain clear results would flow from such a proposal if it were adopted. In the first place, we would obviously in the view of the entire world have repudiated our own principle. The circumvention was clear and obvious to all. In the second place, we would

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undoubtedly be called upon to use force against the prisoners to turn them over to a Commission, which, although it did not use force, would keep them in captivity until they returned home. In the third place, we would have a most precarious armistice, with the possibility of grave trouble arising in the prison camps. The Army would be deprived of all observation over enemy lines, of power to break up concentrations and to work over supply lines, and it would be unable properly to deploy the forces in the Command. The Communists would be free to rehabilitate air fields in North Korea. At any moment we might be charged with violating the armistice because the proposal regarding the prisoners was unclear and unworkable and almost certain to lead to misunderstandings.

Therefore, the situation in New York called for the most energetic action on the United States side to defeat or alter this attempted circumvention of the principle. This involved keeping aligned with us the British, French, and others. There was obviously a show-down coming. The attitude of the President and his Cabinet advisers was clear upon it. Therefore, if there were to be yielding, it could only be by those who were attempting to put through this new idea.

The debate would begin tomorrow, Wednesday. Voting on proposals might come as early as Saturday, but more probably next week. Any statement on this matter, supporting the view held by this Government, by General Eisenhower would be of the greatest possible assistance. The Secretary had prepared the sort of statement which would provide this assistance, and he handed it to Senator Lodge. (see attached statement)

The Secretary also stated that he had informed the British, Canadians, and French that any division between them and us on this essential matter would have the gravest consequences here in the United States, through disillusionment regarding collective security. The consequences would not be confined to Korea, but would also have implications in NATO and other arrangements of the same sort.

2. Iran. Another situation had developed to a critical point. This was the dispute between Iran and the United Kingdom over oil. We had been trying for a year and a half to find a fair solution which would provide compensation for the British and allow oil to flow from Iran and funds to come to Iran. Both parties had been wholly unreasonable, but in different senses of the word. The Iranians were unreasonable in that they were not activated by reason but by emotion. The British were

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unreasonable in not seeming to understand this. They thought that by putting economic pressure on Iranians they would act as reasonable people might under the same circumstances. The result had been the opposite. The Iranians were more concerned with freeing the oil from British control than they were in the economic benefits which might come to them from the oil industry. This had already led to economic difficulties, to very grave disintegration both within the Iranian Government and within the Iranian social structure, and to a political break with the British, who had been expelled from Iran.

We were informed by our Ambassador that if the Iranians managed their affairs reasonably they might survive for as long as a year without selling oil and without major external help. However, they would not act reasonably in this situation. They would act emotionally, perhaps in stages break altogether their relations with the United States, discharge large numbers of public employees, who would add to the unrest of that country, and in a very short time bring the country to a state of chaos.

We were deeply disturbed at this prospect. The British seemed more concerned about the consequences of a settlement which differed from their desires because of the effects on British investments in other parts of the world. This had led to a fundamental difference of view. Although we had been working with the British for months, it seemed unlikely to us that persuasion would result in any workable solution in time.

The Secretary said that we were also going forward under the President's authority to consider what the United States alone might do to solve this problem. It seemed unlikely to us, however, that it ever could be solved in the face of determined British opposition. Without going into detail, the reason for this conclusion was that Iran could only sell its oil in volume in markets which would bring American distributors into violent competition and conflict with British distributors. Therefore, some degree of British cooperation was necessary. It seemed to him likely — although here he was speculating — that this could only be done by a series of steps in which American unilateral action was started and became apparent. Thereupon some degree of British cooperation might be stimulated. He thought we would probably have to proceed by jerks in this way, with some periods of considerable bitterness.

It seemed to Secretary Acheson most important that the new Administration should be closely in touch with this situation, because considerable difficulties were likely to arise from it.

3. European Defense. Here there were two problems of immediate and critical importance to the new Administration:

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The first was the meeting of the North Atlantic Council on December 15. The other nations demanded it. It was not possible to make any great progress at this meeting, because the material was not in usable shape. Countries had submitted military programs for 1953 which far exceeded their stated economic capacity. There could be only preliminary discussion of this matter.

It would be necessary to have another and more definitive meeting at an early date. The European countries have asked for February 15. The latest date which seemed workable was March 1. Therefore, the new Administration must be prepared to act promptly and with full information soon after it comes into office. We had attempted to postpone the date as long as possible, but any substantial postponement would defeat effective military progress in 1953.

The second critical matter related to the treaty with Germany and the European Defense Community treaty.

Until the recent outburst in France, we had hoped that these treaties would be ratified toward the end of 1952 or at the latest in January or February of 1953. The attack on the treaties in France had caused us worry, but we still had thought that the difficulties might be surmounted with a little more delay. Today, however, a most disturbing action occurred. As a result of a press conference statement by Mr. Schuman, the Adenauer Government had been defeated on a motion to take up the treaties on November 26. No date was now set, and it was too early to estimate the full extent of this action. It did seem probable, however, that we were now in a position where there was jockeying between France and Germany as to who should act first, with nobody being prepared to act until the new Administration came in. This was not only serious in regard to the defense aspects of the situation, but we might count on a very strong German reaction against continuing the occupation and postponing the practical implementation of the treaty with Germany. Therefore, we had a real crisis in Western European collaboration.

4. Southeast Asia. We had been concerned for a long time about the course of action in Indochina. There was a strong body of opinion in France which regarded this as a lost cause that was bleeding France both financially and by undermining the possibility of French-German equality in European defense.

There had been a noticeable lack of French aggressive attitude from a military point of view in Indochina. The central problem in Indochina was the fence-sitting by the population. They would never

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come down on one side or another until they had a reasonable assurance of who would be the victor and that their interests would be served by the victor.

We were helping France to the extent of carrying between one-third and one-half of the financial burden of the Indochinese war. We had had military discussions between the five powers — the United States, United Kingdom, France, Australia, and New Zealand — which had not been effective in devising agreed military solutions against the contingency of overt Chinese intervention in Indochina. The French now sought political discussions to carry the matter forward.

This was an urgent matter upon which the new Administration must be prepared to act.

All of the foregoing problems were involved in the survey which the President had ordered made of the use of our resources in foreign aid. Mr. Joseph Dodge indicated that he was familiar with this survey. Mr. Acheson stated that it involved a study of the proper assignment of resources to foreign aid as against domestic re-armament, of allocations between military and economic assistance, of allocations between areas.

The growing unrest throughout North Africa and the Middle East raised questions as to whether we had put proper amounts of our resources to work in those areas.

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We hoped this study would be pushed to conclusion before January 20. It was essential for the new Administration to be familiar with it, since it involved the entire foreign program.

5. The last item was the matter of United States foreign economic policy. This did not relate solely to appropriations for foreign aid, but more importantly to our economic and financial policy.

It seemed to us clear that the economic underpinning of the Western alliance was too flimsy for safety. The slightest diminution of American aid or American defense spending might produce economic consequences which might seriously weaken the countries most closely associated with us. We had been conducting studies in this field. A British Commonwealth Conference would meet next week, which would come forward with very far-reaching proposals involving American participation.

It was essential that early in 1953 the United States Government should have carefully reviewed its foreign economic policy and be able to come forward with one which gave some chance of stability to the Western world, and particularly to our major allies. If that were

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not done, it seemed to Mr. Acheson that a very large part of the foundations for a successful United States foreign policy might be undermined.

General Eisenhower said that he would like a memorandum of what the Secretary of State had said. He would give it careful study. He would also give careful study to the suggested statement on Korea. He recognized the seriousness and critical nature of the matters discussed.

General Eisenhower said that he was preparing immediately on the conclusion of this meeting to go with Secretary Lovett to meet the Joint Chiefs of Staff for a military briefing. In view of this, both he and Mr. Lovett thought that it was unnecessary to discuss any military matters.

Mr. Harriman said that he would not go into MSA matters, because Mr. Dodge and others would be familiar with them through their budget work. However, he strongly recommended that at an early date someone be specifically designated to have liaison with MSA. General Eisenhower agreed that this should be done.

General Eisenhower also said that he had an appointment to see Mr. Eden in New York on Thursday and that, prior to seeing him, he would carefully consider what Secretary Acheson had said regarding Korea.

The President and General Eisenhower then went over a draft joint statement which had been prepared and with two changes adopted it. (Attached)

The meeting concluded at 3:15 p.m.

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